

**Prepared Remarks of FCC Commissioner Mignon L. Clyburn**  
**Georgia Green Economy Summit**  
**“Networking the Green Economy”**  
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**Introduction**

Thank you, Mr. Wright, for that generous introduction, and Albert George, it’s great seeing you again. Today’s agenda firmly addresses two issues that I am very passionate about – government and private industry efforts that would advance our Nation’s energy efficiency and independence; and improving opportunities for low income communities.

I’ve been very interested in energy efficiency and independence, at least since 1998, when I began my term as a member of the South Carolina Public Service Commission. As for empowering communities, one could say this issue is also in my blood, as both of my parents were notably involved with the Civil Rights Movement of the 1950s and 60s.

In my capacity as a Public Service Commissioner, and in my current role as a communications Commissioner at the FCC, I remain concerned about the impact of regulatory and public interest policies on all communities. By that I mean, policies that impact energy companies and communications service companies, should also benefit the entities and communities that may not have the resources to hire powerful lobbyists and advocates who routinely visit me in Washington, DC.

To be a part of this assembly of distinguished speakers and thought leaders on energy efficiency who are committed to bring those benefits to all communities, including low income communities in the United States and in lesser developed countries, is a privilege I was determined not to miss.

When I first saw that title of the topic Albert asked me to address, “Networking the Green Economy,” I smiled. That is because Albert is familiar enough with my personal and professional DNA to know that for me, the term “networking” has two meanings. On the one hand, there are communications networks, and what the Federal Communications Commission and relevant federal government agencies are doing to promote the development of these platforms that would also benefit the Green Economy.

But of course, “networking” also means meeting and collaborating with others, of similar professional interests, to see how they can help each other. I have seen how both aspects of the term “networking”, in their best forms, are important to our Nation’s interests in improving communications services and improving energy efficiency and independence.

**Importance of Broadband Networks to the Nation**

When I started at the FCC in the summer of 2009, the number one priority for the agency was complying with a Congressional mandate in the American Reinvestment and Recovery Act, to develop a national plan that would enable all people in our Nation, to have access to broadband technology. The Recovery Act specifically directed that we consider how broadband could advance a number of national priorities, and that list of national priorities, rightly included energy efficiency and independence, education, health care, and employment. Congress gave the FCC a year to prepare this plan, a rather ambitious mandate for a single federal agency.

But the FCC wasted no time and got to work. The Chairman appointed a task force to develop the National Broadband Plan and in March 2010, it was released. The over 350 pages includes hundreds of findings and recommendations, that fortunately for you and for me, I do not have time to recap. But what I would like to share this morning are a few of the most important findings and recommendations that relate to promoting a Green Economy.

The Plan found that approximately 18 million Americans live in areas with absolutely no access to wired or wireless broadband networks. For those Americans who do have access to broadband in their communities, about 100 million do not subscribe to it at home. To reach the goal of having everyone in America benefit from wired and wireless broadband networks, the federal government must be focused on policies that promote both the deployment and adoption of broadband services.

At the time of the Plan's release, the Commission unanimously embraced six core principles that should guide our efforts as we work to implement the policy recommendations in the Plan. What I am most proud of, is that at the very top of the priority list was ensuring that all communities benefitted from this Plan. The number one principle was, and I quote: “[e]very American should have a meaningful opportunity to benefit from the broadband communications era—regardless of geography, race, economic status, disability, residence on tribal land, or degree of digital literacy.”

We have been hard at work implementing the specific recommendations since its publication, but among the most difficult tasks put forth involved changing the Commission's policy approaches to the federal universal service fund and to wireless spectrum allocation and management. In October 2011, the FCC took a significant step in reforming the high-cost portion of USF and the intercarrier compensation regime. Together, this effort involved an almost \$9 billion a year regime that has supported the delivery of telephone service in rural areas for over 15 years. The comprehensive reform is designed to increase accountability and efficiency, encourage targeted investment in broadband infrastructure, and emphasize the importance of broadband to the future of these programs. Implementation of the reforms is ongoing, and today, the FCC is scheduled to hold our first-ever reverse auction, for one-time funding to extend wireless broadband to areas that currently have no access.

There are other agency efforts related to our broadband goals, and tomorrow, the FCC will vote on a Notice of Proposed Rulemaking, that proposes rules for the first ever voluntary incentive auction held in the world. This auction will enable the Commission to reallocate a substantial amount of spectrum for commercial mobile broadband services from area broadcasters so that wireless companies can keep with the demand of Americans for more mobile broadband services.

In the past, the FCC's efforts to find more spectrum for mobile wireless services consisted of working with NTIA, an agency that manages spectrum allocation for federal agencies, to repurpose this spectrum for commercial purposes. But, this is a multi-year process. The voluntary incentive auctions will give broadcast licensees a chance to relinquish their spectrum in return for compensation, if they so choose. If we design the incentive auction correctly, we will strengthen both our mobile wireless and broadcast television industries, and augment the efforts being addressed today.

## **The National Broadband Plan's Recommendations for the Green Economy**

In the area of energy policy, the National Broadband Plan devoted much attention to the way that broadband infrastructure can aid the deployment of smart grid technologies. The Plan makes a number of recommendations for all relevant private and public stakeholders that fall into two broad categories. The first includes recommendations that provide flexibility to utility companies to find the right communications network to deploy Smart Grid technologies best suited for their needs. Currently, electric utilities tend to develop private proprietary narrowband networks in order to provide and maintain a reliable two way network. The Plan recognizes that commercial wireless networks are being used for many Smart Grid applications, particularly metering and routine sensing systems.

However, current regulation may create economic disincentives for utility companies to choose to implement commercial networks. For instance, since utility companies are traditionally rate-of-return regulated utilities, they typically earn guaranteed profits on the assets they deploy—including private communications networks—but only receive cost recovery if they use commercial networks. This current state of regulation creates disincentives for utility companies to use commercial communications networks.

Therefore, the Plan recommends that public utility commissions evaluate a utility's network requirements and commercial network alternatives, before authorizing a rate-of-return on private networks. It further encourages PUCs to let recurring network operating costs qualify for a rate of return similar to capitalized utility-built networks.

The second category of the Plan's recommendations that I think is important includes those that seek to empower consumers by giving them access to real time information about their energy use. Traditionally, consumers have been passive recipients of energy. They typically only interact with their energy providers to pay a monthly bill based on fixed rates. As a result of this limited involvement, consumers have little insight into how their day-to-day activities impact their energy bills.

If we want the Smart Grid to promote energy efficiency as much as possible, then we need our consumers to participate much more in energy management and conservation. The National Broadband Plan estimates, that "simply providing consumers better information about their energy use will "reduce total consumption by 5–15%, equating to savings of \$60–180 per year for the average American household." Therefore, we should create incentives for consumers to participate willingly, in the solutions for energy management. Consumers have varying objectives, competencies and preferences, therefore simple, easy-to-use products and services will give them greater choice and control.

The deployment and adoption of smart grid technologies could have a profound beneficial impact on the Nation's economy. Smart grid technology and implementation, will require the manufacturing and installation of meters, relays, switching gear, and other hardware products. Creating and installing this technology, will require a multi-disciplined, labor-intensive effort that will not only create jobs in the near term, but a sustainable job market for years to come.

The U.S. Department of Commerce estimates that the smart grid could help reduce power demand by 20 percent, will lead to a reduction in greenhouse gas emissions, and will give us the opportunity to develop a highly innovative sector of the economy, creating new and high-skilled jobs. The Recovery Act smart grid investments alone are projected to directly create 43,000 jobs

and support another 61,000 in the private sector. It is for these reasons that President Obama has directed the Office of Science and Technology Policy, or OSTP in the White House, to promote the deployment of the smart grid.

### **The Importance of Collaboration and Networking to the Green Economy**

I have long held the view, that in order to successfully meet the most difficult of policy challenges, regulators need to cast as wide a net as possible, and seek input and collaboration from all relevant stakeholders. There are several benefits to this approach.

I have found that when it comes to developing regulatory policy, one size does not fit all. The best way to ensure that regulatory policies do not have unintended negative consequences on consumers and other stakeholders, is to get their input early and often. Also, comprehensive reform is, in the long run, usually more cost effective than piecemeal reform. Proper comprehensive reform usually precludes the need to retrofit policies to accommodate parties, who should not have been excluded from the process in the first place.

Engaging all relevant stakeholders was critical to the success of the National Broadband Plan. To ensure that the plan would help as many interested parties as possible, the Commission staff held 36 public workshops, nine field hearings, and released 31 public notices, that produced more than 75,000 pages of public comments.

Broad collaboration was also key to the Commission's reform of its Universal Service Fund policies. Such reform had been attempted by the FCC several times in the last ten years, but these new reforms were possible this time, in part, due to the significant collaborative efforts between the public and private sector. Industry was able to come together and agree on major points of the reform, which assisted our efforts to move forward with an overall reform Order. Such collaboration was possible this time because the markets had shifted—providers were beginning to see their revenues decline for certain services, and demand for broadband technologies and services had increased. While not perfect, we will continue to make adjustments as needed. But we wouldn't be where we are today—without the continued dialogue and collaboration between all interested parties.

Although as a federal agency, most of our efforts are focused on what policies to adopt, the Commission has recognized that, if we think outside of the box, regulation is not the only way to achieve the goals of the National Broadband Plan. The staff has been trying to promote public-private partnerships as another way to achieve these goals. One example is Connect to Compete, an initiative launched by the Federal Communications Commission, with the specific goal of getting more U.S. families to adopt broadband at home. Thanks to Connect to Compete, many cable companies offer Internet service for \$9.95 per month, to homes with children that are eligible for free school lunches.

The initiative also includes Microsoft Corp., which pledges to sell PCs with its Office software suite for \$250 to low-income families. Redemtech is offering to sell refurbished computers for \$150, including shipping. For those who cannot afford those prices, Morgan Stanley is pledging to develop a microfinance lending program for community-based financial institutions. To help address the lack of interest and computer skills, Best Buy Co., Microsoft and nonprofits such as America's Promise Alliance and United Way are promising to support the initiative with training.

## **Conclusion**

It is only by working collaboratively to implement recommendations that are designed to promote greater deployment and adoption of broadband services, that we'll be best able to promote key national priorities like energy efficiency and independence. As the relevant stakeholders work towards a Green Economy Strategy for Georgia, the FCC can serve as a resource for possible ways to design a strategy that can leverage our work and that of the federal government in these related areas. So if and when my Office can ever serve as a resource to you, I hope you will not hesitate to call, write, tweet or email. Thank you very much.